
OLR Bill Analysis

sHB 5163

AN ACT AUTHORIZING BONDS OF THE STATE FOR ECONOMIC DEVELOPMENT PROJECTS.

SUMMARY:

This bill authorizes up to \$7.5 million in state general obligation (GO) bonds for Department of Economic and Community Development (DECD) grants. It also:

1. increases, by \$2.5 million, the GO bond authorization for the Department of Transportation's (DOT) commercial rail freight line competitive grant program and
2. expands the range of eligible projects receiving preference for the grants.

EFFECTIVE DATE: July 1, 2014

NEW BONDS FOR DECD GRANTS

The bill authorizes up to \$7.5 million in GO bonds for the following DECD-administered grants:

1. \$4 million to Klein Memorial Auditorium to expand its box office and add an after-school facility;
2. \$1.5 million to the city of Waterbury for the Waterbury Development Corporation to (a) implement a feasibility and environmental study and (b) design a mixed-use multicultural center with park grounds that will be used by nonprofit organizations for various programs;
3. \$500,000 to the Willow Plaza Community Center in Waterbury to complete its expansion;
4. \$1 million to the Railroad Museum of New England in

Thomaston to construct and renovate its facility; and

5. \$500,000 to the Eastern Connecticut Performing Arts Association to (a) renovate and remodel its theater and (b) create a new performing arts center.

COMMERCIAL RAIL FREIGHT LINE COMPETITIVE GRANTS

The bill increases, from \$7.5 million to \$10 million, the existing bond authorization for DOT's commercial rail freight line competitive grant program (see BACKGROUND). It also expands the range of eligible projects for which the DOT commissioner must give preference to include those (a) furthering DOT's Connecticut State Rail Plan goals and objectives and (b) increasing the capacity of the state's freight rail infrastructure.

BACKGROUND

Commercial Rail Freight Line Competitive Grant Program

This DOT program awards competitive grants for improvements and repairs to, and modernization of, existing rail, rail beds, and related facilities. Specifically, it requires grants of:

1. 100% of costs to improve, repair, or modernize state-owned rights of way; and
2. 70% of costs to improve, repair, or modernize privately owned rail lines.

The DOT commissioner may waive the 30% matching grant requirement for upgrading privately owned rail lines if the work is shown to increase rail freight traffic.

The program gives preference to grants for:

1. proposals on DOT's list of freight rail projects eligible for federal funds under the 2009 American Recovery and Reinvestment Act, and
2. projects that (a) improve at-grade rail crossings to eliminate hazards or increase safety or (b) connect major freight

generators.

COMMITTEE ACTION

Commerce Committee

Joint Favorable Substitute

Yea 18 Nay 0 (03/25/2014)